United Nations A/71/802

General Assembly

Distr.: General
20 February 2017

Original: English

Seventy-first session
Agenda item 149
Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Triennial review of the rates and standards for reimbursement to Member States for contingent-owned equipment

Report of the Secretary-General

Summary

Pursuant to General Assembly resolution 54/19 B, the 2017 Working Group on Contingent-Owned Equipment met from 16 to 27 January 2017 to conduct a comprehensive review of reimbursement rates and to update the major equipment, self-sustainment and medical support services categories.

The 2017 Working Group, which comprised 331 technical, financial and medical experts from 76 Member States, successfully reviewed the reimbursement rates, policies and standards for contingent-owned equipment. In its report (A/C.5/71/20), the Working Group proposed new definitions procedures and reimbursement rates for the major equipment, self-sustainment and medical support services categories.

The present report sets out the cost implications of implementing the recommendations of the 2017 Working Group. Should the General Assembly approve the recommendations, with effect from 1 July 2017, additional resources estimated at $13.595 million would be required for the period from 1 July 2017 to 30 June 2018.

The actions to be taken by the General Assembly are set out in section IV of the present report.

17-02718 (E) 170317

Please recycle

Contents

		Page
I.	Introduction	3
II.	Summary of recommendations and their financial implications	3
	A. Comprehensive review of contingent-owned equipment reimbursement rates and requirements for major equipment, self-sustainment and medical support services	4
	B. Contingent-owned equipment system	6
	C. Technical and editorial changes to the Manual on Policies and Procedures Concerning the Reimbursement and Control of Contingent-Owned Equipment of Troop/Police Contributors Participating in Peacekeeping Missions	12
III.	Conclusion	12
IV.	Actions to be taken by the General Assembly	13
Annexes		
I.	Recommendations of the 2017 Working Group on Contingent-Owned Equipment and of the Secretariat	15
II.	Estimated financial implications of the implementation of the recommendations of the 2017 Working Group on Contingent-Owned Equipment	18

I. Introduction

1. In its report dated 28 January 2000 (A/C.5/54/49), the Phase V Working Group on reform procedures for determining reimbursement of contingent-owned equipment recommended formats for the collection and consolidation of the national cost data from Member States for a comprehensive review, and the application of a new average index for each category based on national cost data submitted by Member States, to determine the new reimbursement rates. By its resolution 54/19 B, the General Assembly endorsed the recommendations of the Phase V Working Group, including the proposal to conduct a triennial review of the rates and standards for the reimbursement to Member States for contingent-owned equipment.

2. Pursuant to that resolution, the Secretary-General convened the 2017 Working Group on Contingent-Owned Equipment to carry out a comprehensive review of the contingent-owned equipment system and reimbursement rates, in accordance with the format established by the Phase V Working Group.

3. The preparations for the 2017 Working Group began in September 2015 with the request of the Secretariat for national cost data from Member States for a comprehensive review of contingent-owned equipment reimbursement rates. The requested data were provided by 44 Member States, and an unprecedented 78 issue papers were submitted by 19 Member States. The Secretariat also submitted 26 issue papers for the consideration of the Working Group.

4. The 2017 Working Group met in New York from 16 to 27 January 2017. The recommendations of and a list of the issue papers considered by the Working Group are contained in its report, which was submitted to the Fifth Committee by the Chair of the Working Group in a letter dated 8 February 2017 (A/C.5/71/20). Summaries of the issues considered by the Working Group and of the key points of discussion on each issue are contained in the report and the annexes thereto. The report should therefore be read in conjunction with the present report.

II. Summary of recommendations and their financial implications

5. Each meeting of the Working Group on Contingent-Owned Equipment provides an opportunity for the Secretariat and Member States to reflect together on the changing context and requirements of peacekeeping and to review accordingly critical components of the architecture in which troop- and police-contributing countries participate in United Nations peacekeeping missions. Key outcomes from the 2017 Working Group include the introduction of new standard equipment in peacekeeping missions, including unmanned aerial systems, strengthened provisions for environmental management, a new standard for field accommodation for military and police contingents, enhanced capabilities of field medical facilities, incentives for rapid deployment, new provisions for dealing with equipment loss or damage resulting from hostile action and the inclusion of statements of unit requirements in memorandums of understanding, which is a key recommendation stemming from the 2015 review by the High-level Independent Panel on Peace Operations. The recommendations of the Working Group and, where applicable, their estimated annual financial implications are summarized below.

A. Comprehensive review of contingent-owned equipment reimbursement rates and requirements for major equipment, self-sustainment and medical support services

6. The following recommendations of the 2017 Working Group pertain to the rates of reimbursement or the process by which changes to the rates are considered by the Working Group.

1. Review of reimbursement rates

7. The Working Group recommended an adjustment to the rates of reimbursement to troop- and police-contributing countries amounting to a net average increase of 0.6 per cent in the reimbursement rates for both major equipment provided under a wet lease and self-sustainment. If approved, the overall impact of such changes would result in an increase of $5.490 million ($3.223 million for major equipment and $2.267 million for self-sustainment) from the baseline requirements of $537 million for major equipment and $378 million for self-sustainment for the 2016/17 peacekeeping financial period. The revised rates recommended by the Working Group are reflected in its report (A/C.5/71/20, annexes I and 2).

2. Methodology for reviewing the rates of reimbursement

8. The 2017 Working Group recommended that the Secretariat should provide cost data for the items of major equipment already in the United Nations inventory or available through existing procurement contracts, including systems contracts, as part of the consolidated national cost data to be provided to the 2020 Working Group. It also recommended that the Secretary-General should submit, before the meeting of the 2020 Working Group, a report containing an overview of the major equipment actually deployed to the field, an analysis of the categories of major equipment that account for the largest share of reimbursement, the categories of major equipment that are no longer heavily utilized, a survey of how other organizations determine estimated useful life and reflect depreciation, information on best practices in other organizations relating to maintenance schedules and any other information deemed relevant to the determination of reimbursement rates.

9. The Secretariat welcomes the recommendation. The report will be submitted to the General Assembly before the meeting of the 2020 Working Group. The Secretariat intends to include therein proposals to improve the methodology for reviewing the reimbursement rates, including the presentation of cost data.

3. Classification of armoured personnel carriers

10. The 2017 Working Group requested the Secretariat to submit to the 2020 Working Group an issue paper with options for the classification of armoured personnel carriers. The Secretariat welcomes the recommendation. The issue was debated in previous meetings of the Working Group, but consensus has not been reached owing to concerns about possible financial implications. The current classification of armoured personnel carriers into separate armed and unarmed categories poses difficulties for the verification process and, consequently, the reimbursement for such equipment.

4. Generators

11. The Working Group recommended that new types of generators based on the power ratings under the International Organization for Standardization (ISO) 8528 series (continuous power, prime power, limited-time running power and standby

power) should be included in the Manual on Policies and Procedures Concerning the Reimbursement and Control of Contingent-Owned Equipment of Troop/Police Contributors Participating in Peacekeeping Missions (COE Manual). Such generators would supplement, not replace, existing types of generators. Troop- and police-contributing countries may opt to continue to deploy and be reimbursed for generators under the existing arrangements or to be reimbursed for generators deployed based on the ISO 8528 ratings. The Working Group also recommended the addition of renewable energy systems to the Manual.

12. The Secretariat supports this recommendation. The inclusion of higher reimbursement rates for generators based on the four ISO 8528 power ratings and of renewable energy systems, in particular solar photovoltaic systems, will provide incentives for the deployment of more efficient and more environmentally friendly equipment, enhance energy security and autonomy in field missions and contribute to the efforts of the Secretariat to comply with earlier directions from the General Assembly to reduce its environmental footprint.

5. New items of major equipment

13. The Working Group recommended the addition of items of major equipment to the COE Manual for the purposes of reimbursement, including equipment that is being increasingly deployed or required in missions, such as force protection equipment (e.g. portable or vehicle-mounted electronic counter-measures, jammers, closed-circuit television systems, motion detectors and various types of movement sensors) and equipment for formed police units and specialized police teams. The Working Group also endorsed a proposal submitted by the Secretariat in response to a request of the General Assembly contained in its resolution 70/286, which identified three classes of unmanned aerial systems based on their capabilities and specified that only one class would be reimbursable as contingent-owned equipment, while the other two would continue to be deployed under letters of assist.

14. The Secretariat welcomes this recommendation, which will reduce the lengthy administrative procedures associated with the current need to negotiate such equipment as special case items, leading to delays in the finalization of memorandums of understanding and the deployment of units.

6. Medical equipment

15. The Working Group recommended the introduction or upgrade of equipment in medical facilities, including the replacement of analogue X-ray machines with digital X-ray machines, the elimination of the option to deploy dental facilities without X-ray equipment, the replacement of the basic blood analyser with digital haematology and biochemistry analysers, the inclusion of a blood gas analyser in intensive care wards and the inclusion of a mobile C-arm in the operating theatres of level III facilities. The Secretariat welcomes these changes, which will improve the minimum standards and capabilities of medical facilities and, in the case of the upgrade of X-ray machines, reduce the amount of environmentally hazardous chemical waste generated by missions. The changes to equipment in medical facilities are estimated to reduce the overall requirements for peacekeeping by $35,859.

7. Stand-alone aeromedical evacuation teams

16. Aeromedical evacuation teams are currently considered to be integral elements of level II medical facilities. The Working Group recommended an increase in the equipment for aeromedical evacuation modules to enable each such team to be

deployable as two fully equipped subteams. The Secretariat welcomes this recommendation, which will allow the simultaneous deployment of each team to two locations. In addition, the Secretariat notes the introduction of a requirement and standard table for the module, as well as the detailed explanatory notes accompanying the revised equipment table. The increases to the equipment requirement for each team are estimated to increase the overall requirements for peacekeeping by $202,070.

8. Introduction of new modules

17. Level I and level II medical facilities can be enhanced with supplementary capabilities, known as modules, to meet specific mission requirements. The Working Group recommended the introduction of a module dedicated to physiotherapy to complement the existing orthopaedic module. The Secretariat welcomes this recommendation, which will help to address the physiotherapy requirements of peacekeepers injured in the field.

9. Inclusion of surgery in the fee-for-service schedule

18. Medical facilities that are called upon to provide care to United Nations and other authorized personnel for whom they do not receive reimbursement under self-sustainment are entitled to seek reimbursement for the associated costs based on the fee-for-service schedule.[1] The Working Group recommended the inclusion of major and minor surgery, as defined by the type of anaesthesia required, in the fee-for-service schedule. It also recommended that locally recruited staff should be exempt from the schedule for emergency cases. The Secretariat welcomes this recommendation, which reflects the cost of consumables required to perform surgeries. It is understood that medical facilities will not charge the mission for such emergency surgeries and that the exemption for locally recruited staff will not result in additional costs to the United Nations.

B. Contingent-owned equipment system

19. The following recommendations of the Working Group pertain to the policies and procedures of the contingent-owned equipment system. The recommendations are ordered by subject, based on the order in which they appear in the COE Manual.

1. Changes to reimbursement eligibility

20. The Working Group recommended that troop- and police-contributing countries and the United Nations should make all efforts to finalize memorandums of understanding and letters of assist before units are deployed to missions. The Secretariat supports the recommendation. The responsibility to ensure such timely finalization is shared by Member States and the Secretariat. The Secretariat, for its part, will continue its efforts to expedite that process. Although the percentage of units deployed with finalized memorandums of understanding has increased in recent years, as at 1 February 2017 there were still 30 draft memorandums of understanding in various phases of negotiation with 20 troop- and police-contributing countries for units currently deployed to peacekeeping missions. In addition to the adverse impact on operations and mandate delivery, delays in the signing of memorandums of understanding and letters of assist lead to troop- and police-contributing countries not being reimbursed for contingent-owned equipment. Furthermore, in some instances, the deployment of superfluous contingent-owned equipment before a memorandum of understanding or letter of

[1] See A/C.5/69/18, chap. 3, annex B, para. 47, and chap. 3, annexes A and B, appendix 11.

assist had been signed posed challenges to troop- and police-contributing countries and led to additional costs for the Organization.

2. Reimbursement for equipment gifted or donated to troop- and police-contributing countries

21. The Working Group recommended the introduction of a new reimbursement modality, according to which troop- and police-contributing countries receiving equipment from third parties would be reimbursed for only the maintenance rate and the no-fault incident factor. The Working Group agreed on a definition of "donated equipment" and recommended that it should be added to the COE Manual. According to the definition, donated equipment is third-party contingent-owned equipment that is offered to a troop- or police-contributing country for its exclusive use in a particular United Nations mission and will be returned to the original owner upon the termination of the mission or early departure by the country.

22. The Secretariat welcomes the recommendation, which could enable third parties to provide greater assistance in meeting equipment gaps in contingents deployed to peacekeeping missions. The inclusion of the modality in the COE Manual, if approved, will provide clarity in relation to the roles and responsibilities of all parties concerned, ensure reimbursement to the troop- and police-contributing countries to address maintenance requirements and address concerns from equipment providers regarding reimbursement to troop- and police-contributing countries for the generic fair market value of donated equipment.

3. Reimbursement for equipment for units registered in the Peacekeeping Capability Readiness System

23. The Peacekeeping Capability Readiness System, which replaced the previous United Nations Standby Arrangements System in July 2015, serves as the platform through which the Secretariat manages the commitments of units from Member States to support force generation and rapid deployment. Units registered at the rapid deployment level of the System are those that are at a high degree of preparedness and that a Member State has pledged to deploy within 30, 60 or 90 days of a request from the United Nations.

24. The Working Group recommended that, at the end of every 12-month period, troop- and police-contributing countries should be paid 25 per cent of the maintenance component of the reimbursement rates for major equipment for units at the rapid deployment level. During each 12-month period, based on need, the United Nations may perform at least one inspection of major equipment, and troop- and police-contributing countries may be requested to perform at least one mission rehearsal exercise that is certified and evaluated by the United Nations. The Working Group also recommended that reimbursement for a unit at the rapid deployment level should be immediately paid if the unit is deployed within 60 days of a deployment request. A troop- or police-contributing country that does not deploy when requested or that cannot deploy within 60 days when requested will forfeit any claim, and reimbursement for the time spent at the rapid deployment level will be recovered.

25. The Secretariat welcomes this recommendation, which should enhance the participation of Member States in the Peacekeeping Capability Readiness System by helping to defray the cost of maintaining equipment for units at the rapid deployment level, in turn facilitating more rapid deployment of units to peacekeeping missions. The implementation of the recommended payment of 25 per cent of the maintenance component of the reimbursement rates for major equipment, based on the assumption that units at the rapid deployment level will be equivalent

to an integrated brigade, is expected to result in an annual cost of $3.882 million. The Secretariat understands that reimbursement for the time spent at the rapid deployment level will be recovered by the Secretariat for units that are not deployed when requested. It is the understanding of the Secretariat that the recommendation does not preclude the possibility of reimbursement for units other than those listed in the indicative composition of an integrated brigade if the composition of units at the rapid deployment level is adjusted in the future.

4. Ammunition

26. The Working Group recommended that, in cases in which there is spare capacity within United Nations or United Nations-contracted transportation during the rotation of a troop- or police-contributing country, such spare capacity could be used to move authorized ammunition and explosive ordnance to replace expended or expired stock. The Secretariat welcomes the recommendation, which could allow for the removal of unusable ammunition while achieving greater efficiency.

5. Standards of accommodation

27. The United Nations is responsible for providing accommodation to units within the first six months following deployment. Units are eligible for reimbursement for accommodation either when they deploy accommodation that meets United Nations standards or if the United Nations is unable to provide accommodation within the initial six-month period. The Working Group recommended the introduction of "standard United Nations field mission accommodation" as the new single standard for long-term accommodation in peacekeeping missions, which includes definitions and requirements that can be met by various solutions, regardless of the material of construction. As part of the standard, an energy efficiency supplement of 5 per cent to the self-sustainment rates for tentage and accommodation is payable to troop- and police-contributing countries that deploy energy-efficient structures.

28. The Secretariat welcomes this recommendation, which will give missions greater flexibility in providing accommodation solutions that are appropriate for operational requirements and local conditions while ensuring minimum quality standards for accommodation. In relation to the provision of running water to ablutions, the Secretariat wishes to clarify that such provision mainly applies to washing facilities and that dry toilets, which are often environmentally preferable, could be used, where possible. It is expected that costs from the payment of energy efficiency supplements would be offset by reductions in fuel costs, which would render the recommendation cost neutral.

6. Standards of verification for self-sustainment

29. The COE Manual currently states that a "reasonability" view should guide the assessment of whether a troop- or police-contributing country and the United Nations have met the spirit of a memorandum of understanding, if not its full substance.[2] The Working Group recommended the inclusion in the Manual of language reinforcing that principle while indicating that, in exceptional circumstances in which the inspection criteria are not met, the troop- and police-contributing countries can apply to the United Nations for special dispensation of self-sustainment reimbursement. It also highlighted the principles of verification

[2] See ibid., chap. 3, para. 6.

and the performance standards for major equipment and self-sustainment contained in the Manual.[3]

30. The Secretariat welcomes this recommendation, which reaffirms existing provisions in the COE Manual. The Secretariat understands that the exceptional circumstances referred to in the recommendation are those beyond the control of troop- and police-contributing countries.

7. Changes to reimbursement eligibility for medical self-sustainment

31. The COE Manual specifies that medical support is essential at all times, and therefore units cannot be partially self-sustaining in this regard. The Working Group proposed that, when the actions of a host Government prevent the self-sustainment of medical support services, lost or damaged medical material will be reimbursed at cost. The Secretariat supports this recommendation, noting that such circumstances are exceptional and that the inability of contingents to meet their obligations under their memorandums of understanding in such cases is outside of their control.

8. Internet access

32. With regard to the provision of Internet access, the COE Manual specifies that units must be deployed with appropriate levels of equipment and bandwidth, for which troop- and police-contributing countries receive $3.14 per person, per month. The Working Group proposed that the Secretariat should provide data on the cost of providing Internet access to contingents to the 2020 Working Group. The Secretariat supports this recommendation, noting that such information may help the Working Group to consider the level and standards of reimbursement for Internet access, issues on which consensus has been difficult to reach during successive meetings of the Working Group.

9. Disposal methods and repainting

33. Troop- and police-contributing countries are currently automatically reimbursed for the cost of repainting major equipment upon repatriation. The Working Group recommended that a provision should be added to the COE Manual to provide assurances that equipment will be properly repainted and all United Nations markings removed at the conclusion of deployment.[4] According to the provision, the United Nations will reimburse troop- and police-contributing countries for the cost of repainting equipment only after receiving official certification from the permanent missions of those countries confirming that the repatriated equipment will not be used for any activity until all United Nations markings have been removed. The Secretariat welcomes the recommendation, which, if approved, would address an area of possible liability of the United Nations.

34. The Working Group further recommended that text should be inserted into the COE Manual to stress that the disposal of unserviceable contingent-owned equipment is the responsibility of troop- and police-contributing countries unless the ownership of and/or responsibility for the equipment have been legally transferred to another entity. The recommended text encourages troop- and police-contributing countries to dispose of non-functional contingent-owned equipment that has been unserviceable for 12 continuous months within the ensuing six months. The Secretariat also welcomes this recommendation, which would introduce important in-mission disposal policies and procedures that, when applied,

[3] See ibid., chap. 3, annexes A and B.
[4] See ibid., chap. 4, para. 2.

could prove to be less expensive than repatriation. As the typical duration of missions has lengthened, the accumulation within mission areas of contingent-owned equipment that has become surplus to operational requirements or is unserviceable and beyond economical repair has resulted in logistical, safety and security challenges to affected contingents and missions and had adverse environmental effects on the mission area.

10. Rotation of contingent-owned equipment at the expense of the United Nations

35. Armoured personnel carriers, engineering vehicles and support vehicles (military pattern) deployed for prolonged periods which are either inoperable or for which continued maintenance is not economical in the mission area can currently be considered for rotation at the expense of the United Nations.[5] The Working Group recommended expanding eligibility to support vehicles (commercial pattern), engineering equipment and aircraft and/or airfield support equipment. Furthermore, the Working Group proposed to set a threshold of 10 per cent of eligible deployed items being replaced before transport assistance is provided, given the higher relative cost associated with arranging smaller shipments. The Working Group further recommended that major equipment of eligible categories that is lost or damaged as a result of hostile action or forced abandonment should be considered for rotation at the expense of the United Nations, without the requirement of prolonged deployment to peacekeeping missions. Lastly, the Working Group recommended that the total additional cost across all missions for the associated expenses for each year should not exceed $8 million, a decrease from the limit of $12.5 million previously approved by the General Assembly on the basis of the recommendation of the 2014 Working Group.

36. The Secretariat welcomes these recommendations, noting that they will improve the serviceability of key items of equipment and therefore improve the operational readiness of contingents.

11. Costs covered by reimbursement for naval vessels

37. The Working Group recommended that the COE Manual should be amended to include a requirement that the reimbursement amount indicated in a letter of assist be itemized in accordance with the services provided under the letter.[6] The Secretariat welcomes the recommendation, which could clarify the cost of each service and thereby promote greater accountability.

12. Loss or damage during transit

38. Loss or damage incurred during transportation is currently reimbursable only when significant damage, the repairs for which amount to 10 per cent or more of the generic fair market value, occurs during transportation arranged by the United Nations.[7] The Working Group requested the Secretariat to provide data on claims for loss or damage incurred during transit to the 2020 Working Group and troop- and police-contributing countries to collect and provide actual data on loss or damage amounting to less than 10 per cent of the generic fair market value.

39. The Secretariat welcomes the recommendation and, if it is approved, intends to request the troop- and police-contributing countries to compile and submit to the 2020 Working Group data on losses or damages below the 10 per cent threshold for the purpose of reporting.

---

[5] See ibid., chap. 4, paras. 24 and 25.
[6] See ibid., chap. 4, annex, para. 4.
[7] See ibid., chap. 6, paras. 4 and 5.

13. Reimbursement for contingent-owned equipment that is lost or damaged as a result of hostile action

40. The COE Manual currently provides that the United Nations will compensate troop- and police-contributing countries for the full value of losses in cases in which the cumulative generic fair market value of the loss or damage resulting from a single hostile action or forced abandonment exceeds $250,000.[8] The Working Group recommended that the $250,000 threshold should cover the cumulative generic fair market value of all incidents that occur across a single budget year instead of a single action. In addition, it was recommended that equipment lost or damaged in a single action should be reimbursed if the loss or damage exceeds the generic fair market value of $100,000 to allow for its replacement or repair. The generic fair market value of the equipment reimbursed under the single action incident would count towards the $250,000 annual threshold, but lost or damaged equipment would be reimbursed only once. Based on the recommendation of the Working Group, the reimbursement will be processed by the Secretariat upon receipt of certification from the troop- or police-contributing country concerned confirming that the equipment will be replaced or repaired. Lastly, the Working Group recommended that the total additional cost across all missions for the associated expenses for each year should not exceed $5 million.

41. The Secretariat welcomes this recommendation, noting that peacekeeping missions face increased threats and deliberate attacks, resulting in the loss of lives and injuries, as well as loss and damage to contingent-owned equipment. Equipment lost or damaged in a single action is often not reimbursed because of the high threshold currently in place. Such lack of reimbursement affects a number of troop- and police-contributing countries that have suffered equipment loss or damage below the threshold in numerous single actions over a period. The challenge that they face in replacing lost or damaged equipment also affects their ability to meet the operational needs of the mission concerned.

14. Mission factors

42. The current contingent-owned equipment system includes a mission factor that is applied to the reimbursement rates for self-sustainment and the spares element (or half of the estimated maintenance rate) of the wet lease rate to compensate troop- and police-contributing countries for loss and damage resulting from hostile action or forced abandonment.[9] The factor is currently limited to 5 per cent. The Working Group recommended that the weighting of the elements involved in the calculation of the hostile action and/or forced abandonment factor should be changed and that the maximum level of the factor should be increased from 5 to 6 per cent. The Working Group also recommended that the Secretariat should conduct a comprehensive review of the methodology for calculating mission factors to determine whether they adequately account for the impact of operational conditions on major equipment and self-sustainment, to review the terrain profile component of the extreme environmental conditions factor, which is seen as overly restrictive, and to consider the introduction of a methodology that reflects the intensity of operations for individual units.

43. The Secretariat welcomes this recommendation, which addresses the increasing risks faced by peacekeeping missions and troop- and police-contributing countries. Changing the calculation of the hostile action and/or forced abandonment factor is estimated to increase the overall financial requirements for peacekeeping by $3.557 million per year based on the results of the most recent reviews of the elements used to calculate the factor. The Secretariat also welcomes the request to

[8] See ibid., chap. 6, paras. 7-12.

[9] See ibid., chap. 7, para. 1 (c), and chap. 7, annex B.

conduct a comprehensive review of the methodology for calculating mission factors and intends to submit the outcome of the review in a report to the General Assembly by the end of its seventy-third session to allow for its consideration by the 2020 Working Group.

15. Changes to the model memorandum of understanding

44. The Working Group recommended the inclusion of annexes to memorandums of understanding that would define the operational capabilities and tasks to be undertaken by a unit. The memorandum of understanding would thus constitute an agreement that the personnel, equipment and self-sustainment provided by the troop- or police-contributing country are sufficient to deliver the capabilities specified in the statement of unit requirements at the required standards and to perform the expected tasks. The Secretariat welcomes this recommendation, which implements a proposal of the Secretary-General contained in his report on the future of United Nations peace operations (A/70/357-S/2015/682, para. 62).

45. In addition, the Working Group recommended the strengthening of article 7 septies of the model memorandum of understanding on environmental compliance and waste management. The new provisions include the appointment of environment focal points and the requirement for contingents to leave premises and the physical environment in the condition in which they were provided to them, except in exceptional circumstances of operational imperative. The Secretariat welcomes this recommendation, which will help the contingents to perform their duties in full compliance with United Nations environmental and waste management policies and procedures.

C. Technical and editorial changes to the Manual on Policies and Procedures Concerning the Reimbursement and Control of Contingent-Owned Equipment of Troop/Police Contributors Participating in Peacekeeping Missions

46. The 2017 Working Group endorsed the changes to the COE Manual outlined by the Secretariat to address technical issues, create a new section dedicated to medical issues and reflect decisions taken by the General Assembly since the meeting of the 2014 Working Group. The Secretariat welcomes this endorsement and intends to reflect these changes in the next edition of the Manual.

III. Conclusion

47. The Secretariat expresses its appreciation to the 2017 Working Group for the enormous task that it undertook in carrying out a comprehensive review of the data and for the guidance that it has provided. The proposed revised standards and procedures and other recommendations will benefit the Secretariat by improving the structure of the contingent-owned equipment system and provide more transparent and enhanced verification tools.

48. In preparation for the 2020 Working Group, the Secretariat requests Member States to submit national cost data no later than six months before the meeting in order to allow time for the consolidation and validation of such data. It also requests that issue papers be submitted no later than three months before the meeting.

49. The Chair of the 2017 Working Group proposed, in his letter to the Chair of the Fifth Committee (A/C.5/71/20), that a pre-session organizational meeting of the Working Group should be held before the meeting of the 2020 Working Group but

after the deadline for the submission of issue papers and national cost data. During such a meeting, members of the Working Group could elect members of the bureau, propose the creation of sub-working groups, decide on the allocation of agenda items and adopt the provisional programme of work. The Working Group would therefore be able to focus on the substantive proposals at its meeting in 2020. The Secretariat welcomes this proposal as a way to maximize the time available to the Working Group to address its increasing workload and suggests that the organizational meeting be held in late October 2019.

IV. Actions to be taken by the General Assembly

50. **The actions to be taken by the General Assembly in connection with the report of the 2017 Working Group on Contingent-Owned Equipment (A/C.5/71/20) are set out below:**

(a) To approve the new reimbursement rates as listed in annex 1 for major equipment and annex 2 for self-sustainment;

(b) To request the Secretariat to provide cost data for categories of contingent-owned equipment that the United Nations itself owns or is able to procure as part of the consolidated national cost data to be provided to the 2020 Working Group;

(c) To request the Secretary-General to issue a report to the General Assembly on major equipment deployed to peacekeeping operations;

(d) To request the Secretariat to submit an issue paper to the 2020 Working Group with different options for the classification of armoured personnel carriers;

(e) To approve the inclusion of generators based on the ISO 8528 series, noting that such categories will supplement, not replace, the existing categories of generators, and of renewable energy and hybrid systems in the COE Manual;

(f) To approve new items of equipment for inclusion in the COE Manual;

(g) To approve new equipment for medical facilities;

(h) To approve the proposed changes to aeromedical evacuation modules;

(i) To approve the inclusion of a physiotherapy module in the COE Manual;

(j) To approve the inclusion of surgery in the fee-for-service schedule;

(k) To request troop- and police-contributing countries and the United Nations to make all efforts to finalize memorandums of understanding and letters of assist prior to the deployment of units to missions;

(l) To approve a new modality by which troop- and police-contributing countries receiving equipment from third parties would be reimbursed for only the maintenance rate and the no-fault incident factor;

(m) To approve the reimbursement of 25 per cent of the maintenance rate for units at the rapid deployment level of the Peacekeeping Capability Readiness System;

(n) To approve new arrangements for the resupply of ammunition using spare capacity on United Nations or United Nations-contracted transportation;

(o) To approve the new single standard for United Nations field mission accommodation;

(p) To reaffirm the principles of verification for self-sustainment;

(q) To approve changes to reimbursement eligibility for medical self-sustainment;

(r) To request the Secretariat to provide data to the 2020 Working Group on the cost of providing Internet access to contingents;

(s) To approve changes to the process for reimbursement for the cost of repainting repatriated equipment;

(t) To approve new requirements for the disposal of non-functional equipment;

(u) To approve changes in eligibility for the rotation at the expense of the United Nations of categories of major equipment under prolonged and continuous deployment to peacekeeping missions;

(v) To recommend that the reimbursement amount indicated in letters of assist be itemized to reflect the services to be provided;

(w) To request the Secretariat to provide data on claims for loss or damage during transit to the 2020 Working Group and troop- and police-contributing countries to provide data on loss or damage below the threshold of 10 per cent of generic fair market value;

(x) To approve changes to reimbursement for loss or damage resulting from hostile action or forced abandonment;

(y) To request the Secretary-General to conduct a comprehensive review of the methodology for calculating mission factors and report to the General Assembly by the end of its seventy-third session;

(z) To approve changes to the calculation of the hostile action and/or forced abandonment mission factor;

(aa) To approve the inclusion of statements of unit requirements in memorandums of understanding;

(bb) To approve strengthened language on environmental management in the model memorandum of understanding.

Annex I

Recommendations of the 2017 Working Group on Contingent-Owned Equipment and of the Secretariat

Item	*Action to be taken by the General Assembly*	*Secretariat view*
1. Comprehensive review of contingent-owned equipment reimbursement rates	To approve the new reimbursement rates as listed in annex 1 for major equipment and annex 2 for self-sustainment	Recommends approval
2. Methodology for reviewing the rate of reimbursement	To request the Secretariat to provide cost data for categories of contingent-owned equipment that the United Nations itself owns or is able to procure as part of the consolidated national cost data to be provided to the 2020 Working Group	Recommends approval
	To request the Secretary-General to issue a report to the General Assembly on major equipment deployed to peacekeeping operations	Recommends approval
3. Classification of armoured personnel carriers	To request the Secretariat to submit an issue paper to the 2020 Working Group with different options for the classification of armoured personnel carriers	Recommends approval
4. Generators	To approve the inclusion of generators based on the ISO 8528 series, noting that such categories will supplement, not replace, the existing categories of generators, and of renewable energy and hybrid systems in the COE Manual	Recommends approval
5. New items of major equipment	To approve new items of equipment for inclusion in the COE Manual	Recommends approval
6. Medical equipment	To approve new equipment for medical facilities	Recommends approval
7. Stand-alone aeromedical evacuation teams	To approve the proposed changes to aeromedical evacuation modules	Recommends approval
8. Introduction of new modules	To approve the inclusion of a physiotherapy module in the COE Manual	Recommends approval
9. Inclusion of surgery into the fee-for-service schedule	To approve the inclusion of surgery in the fee-for-service schedule	Recommends approval

Item	*Action to be taken by the General Assembly*	*Secretariat view*
10. Changes to reimbursement eligibility	To request troop- and police-contributing countries and the United Nations to make all efforts to finalize memorandums of understanding and letters of assist prior to the deployment of units to missions	Recommends approval
11. Reimbursement for equipment gifted or donated to troop- and police-contributing countries	To approve a new modality by which troop- and police-contributing countries receiving equipment from third parties would be reimbursed for only the maintenance rate and the no-fault incident factor	Recommends approval
12. Reimbursement for equipment for units registered in the Peacekeeping Capability Readiness System	To approve the reimbursement of 25 per cent of the maintenance rate for units at the rapid deployment level of the Peacekeeping Capability Readiness System	Recommends approval
13. Ammunition	To approve new arrangements for the resupply of ammunition using spare capacity on United Nations or United Nations-contracted transportation	Recommends approval
14. Standards of accommodation	To approve the new single standard for United Nations field mission accommodation	Recommends approval
15. Standards of verification for self-sustainment	To reaffirm the principles of verification for self-sustainment	Recommends approval
16. Changes to reimbursement eligibility for medical self-sustainment	To approve changes to reimbursement eligibility for medical self-sustainment	Recommends approval
17. Internet access	To request the Secretariat to provide data to the 2020 Working Group on the cost of providing Internet access to contingents	Recommends approval
18. Disposal methods and repainting	To approve changes to the process for reimbursement for the cost of repainting repatriated equipment	Recommends approval
	To approve new requirements for the disposal of non-functional equipment	Recommends approval

Item	*Action to be taken by the General Assembly*	*Secretariat view*
19. Rotation of contingent-owned equipment at the expense of the United Nations	To approve changes in eligibility for the rotation at the expense of the United Nations of categories of major equipment under prolonged and continuous deployment to peacekeeping missions	Recommends approval
20. Costs covered by reimbursement for naval vessels	To recommend that the reimbursement amount indicated in the letter of assist be itemized to reflect the services to be provided	Recommends approval
21. Loss or damage during transit	To request the Secretariat to provide data on claims for loss or damage during transit to the 2020 Working Group and troop- and police-contributing countries to provide data on loss or damage below the threshold of 10 per cent of generic fair market value	Recommends approval
22. Reimbursement for contingent-owned equipment that is lost or damaged as a result of hostile action	To approve changes to reimbursement for loss or damage resulting from hostile action or forced abandonment	Recommends approval
23. Mission factors	To request the Secretary-General to conduct a comprehensive review of the methodology for calculating mission factors and report to the General Assembly by the end of its seventy-third session	Recommends approval
	To approve changes to the calculation of the hostile action and/or forced abandonment mission factor	Recommends approval
24. Changes to the model memorandum of understanding	To approve the inclusion of statements of unit requirements in memorandums of understanding	Recommends approval
	To approve strengthened language on environmental management in the model memorandum of understanding	Recommends approval

Annex II

Estimated financial implications of the implementation of the recommendations of the 2017 Working Group on Contingent-Owned Equipment

(United States dollars)

Service or item	*Estimated cost*
Annual recurrent cost for 2017/18	
Overall increase in contingent-owned equipment rates	
Major equipment: an increase of 0.6 per cent in the reimbursement rates for major equipment provided under a wet lease	3 223 732
Self-sustainment: an increase of 0.6 per cent in the reimbursement rates for self-sustainment	2 266 623
Medical major equipment	(35 859)
Aeromedical evacuation module: increase in equipment	202 070
Reimbursement for units at the rapid deployment level of the Peacekeeping Capability Readiness System	3 881 582
Rotation of equipment at the expense of the United Nations	(4 500 000)
Loss or damage as a result of hostile action or forced abandonment	5 000 000
Mission factors: change to the hostile action and/or forced abandonment factor	3 557 175
Total annual cost of implementing the recommendations of the 2017 Working Group on Contingent-Owned Equipment	**13 595 323**